



Environmental Services Division

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OIL PRICES STAY LOW, GASOLINE PRICES INCH UP

DES MOINES – Oil prices have remained low due to slow economic activity. However, gasoline prices have moved up both in Iowa and nationwide in the last two months.

“The recent price increases have been caused by gasoline refinery production cuts,” said Tommi Makila, Iowa Department of Natural Resources (DNR) Energy Policy Analyst. “We had a large supply of gasoline in the market last year when the demand first started falling. Now refinery production is more in line with demand, and that is reflected in today’s gasoline prices.”

Motor Fuels

The average price of 10 percent ethanol blended mid-grade gasoline in Iowa Feb. 17 was \$1.84 per gallon, which is 39 percent lower than the February 2008 price of \$3.02 per gallon of the same blend. The average price for diesel in Iowa Feb. 17 was \$2.16 per gallon, which is 40 percent lower than the February 2008 price of \$3.58. For Iowa metro area averages, visit:

http://www.energy.iowa.gov/Newsroom/fuel_price.html

Self-Serve	2/17/09	1/15/09	Difference
Regular Unleaded with 10% Ethanol	\$1.84	\$1.78	+\$0.06
Regular Unleaded	\$1.89	\$1.83	+\$0.06
Premium Unleaded	\$1.98	\$1.92	+\$0.06
Diesel	\$2.16	\$2.33	-\$0.17

Source: Oil Price Information Service, www.opisnet.com

Crude Oil

On Feb. 13, a barrel of West Texas Cushing Sweet Crude Oil settled at \$37.51. The price is a six percent increase over January’s price of \$35.40 and 63 percent lower than the February 2008 price of \$102.60.

Heating Fuels

On Feb. 13, natural gas was trading at \$4.60/MMBtu, which is \$4.80 lower than one year ago, a 51 percent decrease. The U.S. Department of Energy, Energy Information Administration reports that working natural gas in storage as of Feb. 6, 2009 was 2,020 billion cubic feet (Bcf), 24 Bcf above the 5-year average (2004-2008), and 44 Bcf higher than the level during the corresponding week last year.

A survey completed by the DNR on Feb. 16, 2009, indicated that the average retail price of propane in Iowa was \$1.71, which is \$0.24 lower than the price of propane at this time last year. The same survey found that heating oil is selling in Iowa for an average of \$1.75 per gallon across the state, which is \$1.32 lower than the price in February of last year, a 43 percent decrease.

According to the U.S. census estimate, 67 percent of Iowa households use natural gas to heat their homes. 15 percent use electricity, 14 percent propane, 1.5 percent wood, and 1.4 percent fuel oil.

Heating Fuel Type	2/16/09	1/12/09	Difference
Natural Gas*	4.60/MMbtu	5.60/MMbtu	-\$1.00/MMbtu
Propane**	\$1.71	\$1.75	-\$0.04
#2 Heating Oil**	\$1.75	\$1.93	-\$0.18
*Source: Wall Street Journal, **Source: IDNR			